THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) An Expert Committee has been set up under the chairmanship of Member, Planning Commission to formulate an Integrated Energy Policy.

So far as feedstock policy fertilizer sector is concerned it has been decided that the preferred feedstock for manufacture of urea units will be natural gas/LNG. Further, policy has been formulated for conversion of existing non gas based urea unit to natural gas/LNG.

(b) to (d) National Thermal Power Corporation (NTPC) and Bharat Heavy Electricals Limited (BHEL) have decided to jointly set up a 100 MW Integrated Coal Gasification Combined Cycle Demonstration unit as a pilot Research & Development (R&D) project.

Agreement between REC, PGC and NTPC for electrification of villages

1551. SHRI MANOJ BHATTACHARYA: Will the Minister of POWER be pleased to state:

(a) whether Rural Electrification Corporation has signed an agreement with Power Grid Corporation and NTPC for taking up the electrification of villages on an ambitious scale;

(b) if so, the details thereof; and

(c) whether the areas to be covered by the agreement have been finalized and if so, by when the work in this regard is likely to be initiated?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) Rural Electrification Corporation (REC) has signed MoUs with Power Grid Corporation of India Ltd. (PGCIL), National Hydroelectric Power Corporation Ltd. (NHPC), Damodar Valley Corporation (DVC) and National Thermal Power Corporation (NTPC) in order to make their services available to states for executing projects of rural electrification.

(b) In accordance with the MoUs concluded, these CPSUs have agreed to render their services in the formulation and implementation of rural electrification projects to assist various State Governments/State Power Utilities. It is for the State Govt./Utilities to take a decision regarding the extent to which they would like to utilize the services of these CPSUs.

(c) West Bengal have already prepared an action plan for electrification of 1791 villages at an estimated cost of Rs. 140 8 crores in the first phase for funding by REC. The work in these villages is likely to commence by the end of this year.

In Bihar, PGCIL have already been entrusted the work of electrification of about 2400 villages in Vaishali and Muzzaffarpur districts by the State Government out of funds from PMGY/MNP/State Plan. The electrification works for 1200 villages are scheduled to be completed progressively from Sept., 2004 to May 2005 while for the balance of 1200 villages the award is likely to be placed by Sept 2004.

Jharkhand has indicated its intention of seeking the services of various CPSUs for execution of new projects to be financed by REC

Uttar Pradesh has also indicated its intention of seeking the services of CPSUs for execution of some rural electrification projects.

Recommendations of NCAER

1552. SHRIMATI KAMLA MANHAR: Will the Minister of POWER be pleased to state:

(a) whether the National Council of Applied Economic Research (NCAER) has submitted a report to the Central Electricity Regulatory Commission containing suggestions, ways and means for enabling power consumers to select power distribution company of their choice and also to generate more competition among power suppliers;

(b) if so, salient features of the report; and

(c) whether as per the recommendations of NCAER ordinary households consuming less than 1 MW will also be given choice to select their power supplier?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) and (b) The CERC has commissioned the National Council of Applied Economic Research (NCAER) for preparation of a Consultation Paper on "Introducing competition in generation of Electricity" in the month of May, 2004. NCAER has submitted a draft paper on the subject to the CERC. The paper has been circulated by the Commission for public hearing.